

EXHIBIT 68

CONFIDENTIAL

In accordance with a protective order, the enclosure(s) shall be treated as confidential and shall not be shown to any person other than those persons designated in paragraph 8.2 of the paragraph order.

CONFIDENTIAL

Page 1

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF WYOMING

CUSTODIA BANK, INC.,)

)

Plaintiff,)

)

v.)

) 1:22-cv-00125-SWS

FEDERAL RESERVE BOARD)

OF GOVERNORS AND)

FEDERAL RESERVE BANK OF)

KANSAS CITY,)

)

Defendants.)

)

* DESIGNATED CONFIDENTIAL *

* SUBJECT TO A PROTECTIVE ORDER *

DEPOSITION OF ANDREA MULLINS, a Witness,
taken on behalf of the Plaintiff before Peggy E.
Corbett, CSR, CCR, RDR, pursuant to Notice on the
7th day of December, 2023, at the offices of the
Federal Reserve Bank of Kansas City, 1 Memorial
Drive, Kansas City, Missouri 64198.

CONFIDENTIAL

Page 166

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2005 Blackwell Publishing Ltd

© 2006 The Authors
 Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

11/11/2016

CONFIDENTIAL

Page 167

© 2005 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd





10/10/2014

11/11/2016

10/10/2014



© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors

5

© 2006 The Authors
 Journal compilation © 2006 Blackwell Publishing Ltd

CONFIDENTIAL

Page 168

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
 Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

11/11/2016

[illegible]

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

© 2006 The Authors
Journal compilation © 2006 Blackwell Publishing Ltd

[illegible]

CONFIDENTIAL

Page 209

1 Q. And what does that line below say, Line
2 21?

3 A. "CRRM can't fully supervise?"

4 Q. And what does that mean?

5 A. The question was raised, if membership
6 was denied, would that prevent CRRM from fully
7 being able to have a line of sight into
8 Custodia's operation.

9 And that became a concern for me, that
10 if membership was denied, I wouldn't have insight
11 into the risks and how they were being managed or
12 mitigated by Custodia.

13 Q. So why would you still be concerned
14 about Custodia at all, if they were denied
15 membership?

16 A. Because the master account request was
17 still pending, and if it was granted, or if
18 membership was denied, I wouldn't have insight
19 into how the operation was being run, the way I
20 would if they had a Federal regulator.

21 Q. So did you believe that Custodia could
22 be granted master account access without being
23 granted membership?

24 A. That was a possibility.

25 Q. Did you believe that you could grant

CONFIDENTIAL

Page 210

1 master account access without being able to fully
2 supervise Custodia from CRRM?

3 MR. MICHAELSON: Objection to form.

4 A. The guidelines indicate that a Tier 3
5 entity, without deposit insurance, without a
6 Federal regulator, could be granted a master
7 account.

8 So yes, it was my understanding that
9 they could be granted a master account and denied
10 membership, and yes, it would just be concerning
11 at that point as to how we would monitor, our
12 condition monitoring practices, how we would
13 carry those out in order to have sufficient
14 understanding and insight into how Custodia was
15 being managed and the risks that they may present
16 to the Federal Reserve and the payment system by
17 the products and offerings they were rolling out.

18 Q. Are you aware of any Tier 3 institutions
19 being granted account access?

20 MR. MICHAELSON: Objection,
21 foundation.

22 A. Not during my time at Credit Risk.

23 Q. (BY MR. MENDELSON) How about outside of
24 your time at Credit Risk?

25 A. I'm not well aware of anything related

CONFIDENTIAL

Page 211

1 to a master account granting a denial after I
2 left the Kansas City Fed.

3 Q. So when you were being trained in Credit
4 Risk, did you ever encounter an example of a Tier
5 3 institution that was a granted a master
6 account?

7 A. Not that I recall.

8 Q. So is there anything that you could
9 reference while you were a member of Credit Risk
10 regarding granting account access to a Tier 3
11 institution?

12 A. Can you repeat the question?

13 Q. Sure. So when you were at Credit Risk
14 and you could reference prior examples as part of
15 your training, for example, right, so when you
16 were being trained in Credit Risk you mentioned
17 that initially you were given some cleaned up
18 examples of master account requests, right?

19 A. Yes.

20 Q. So out of any of those examples, were
21 any of those example institutions Tier 3
22 institutions?

23 A. They were not.

24 Q. Go the top of your notes on this page it
25 says "Topic: Transition." What's that referring

CONFIDENTIAL

Page 232

1 A. I'm not.

2 Q. You're not? I think that's all we have.

3 MR. MICHAELSON: Okay. I have a
4 few questions. First I'd like to designate the
5 entirety of the transcript confidential pursuant
6 to the protective order, and I have just a few
7 questions for you.

8 EXAMINATION

9 BY MR. MICHAELSON:

10 Q. First, do you recall testifying about
11 meetings you had involving the Board concerning
12 the pre-membership exam of Custodia?

13 A. I sat in on meetings between Kansas City
14 and the Board regarding membership.

15 Q. So is that one or more than one?

16 A. There was more than one.

17 Q. More than one, okay. Referring to all
18 of those meetings together, was there ever any
19 discussion in those meetings of whether to grant
20 or deny Custodia's master account request?

21 A. No. The subject of the meetings was
22 membership-related. There was no discussion
23 regarding the master account request.

24 Q. During any of those meetings, did anyone
25 from the Board of Governors express a view on

CONFIDENTIAL

Page 233

1 whether Custodia's master account request should
2 be granted or denied?

3 A. No.

4 Q. Aside from those, did you participate in
5 any other meetings involving Board personnel in
6 which the subject of Custodia's master account
7 was discussed?

8 A. No.

9 Q. At the time that you left the Credit
10 Risk function, that was in October of 2022; is
11 that correct?

12 A. Correct.

13 Q. At the time that you left, to your
14 knowledge had the master account decision been
15 reached?

16 A. No. I was not aware of a decision when
17 I left.

18 Q. At the time that you left, did you have
19 an understanding as to whether the Board of
20 Governors had expressed a view on whether
21 Custodia's master account request should be
22 granted or denied?

23 A. No. I was not aware of any opinion
24 expressed by the Board. When I left it was still
25 my understanding that the decision would be made

CONFIDENTIAL

Page 234

1 by the Kansas City Fed.

2 Q. But were you aware of the Board of
3 Governors at the time that you left Credit Risk
4 in October of 2022, did you have any awareness of
5 whether the Board of Governors had expressed a
6 view to the Kansas City Fed as to whether to
7 grant or deny Custodia's master account request?

8 A. I hadn't heard of any views coming from
9 the Board regarding the decision on Custodia's
10 master account.

11 Q. And how about from individual governors?
12 To your knowledge did any individual governors
13 from the Board of Governors express a view to the
14 Kansas City Fed on the resolution of Custodia's
15 master account request?

16 A. No, I didn't hear anything about
17 individual governors' opinions.

18 Q. Okay. So when you left Credit Risk, was
19 it your understanding that a decision on that was
20 still pending?

21 A. Correct.

22 Q. And whose decision was that to make?

23 A. In my experience, after staff makes a
24 recommendation, Christi May-Oder is the one who
25 reviews the decision.

CONFIDENTIAL

Page 235

1 Q. And did you, was it your understanding
2 that that would -- was it your expectation that
3 that would be the same for Custodia's request?

4 A. With Custodia's request, since there had
5 been a lot of management discussion and Custodia
6 had spoken to my knowledge with Esther directly,
7 I thought a higher level might make that decision
8 and Esther might be the one making the call at
9 the end of the day.

10 Q. So when you refer to higher level, who
11 are you referring to?

12 A. Esther.

13 Q. You're referring -- are you referring to
14 the Board of Governors when you use the term
15 higher level?

16 A. No. Higher than Christi, which would be
17 as high as Esther.

[illegible]